

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 190/MP/2019

Subject : Petition under Section 79 of the Electricity Act, 2003 to give a framework on the issue of advance being paid by NTPC to Indian Railways from transportation of coal from coal mines to thermal coal stations of NTPC for the period 2018-19 and 2019-20.

Petitioner : NTPC Limited

Respondents : Madhya Pradesh Power Management Company Limited and Ors.

Date of Hearing : 3.9.2019

Coram : Shri P. K. Pujari, Chairperson
Dr. M. K. Iyer, Member
Shri I. S. Jha, Member

Parties Present : Shri Anand Ganesan, Advocate, NTPC
Shri P. B. Venkatesh, NTPC
Shri Umesh Ambati, NTPC
Shri Nishant Gupta, NTPC

Record of Proceedings

Learned counsel for the Petitioner submitted that the present Petition has been filed seeking, *inter alia*, direction to the Respondents to bear the carrying cost of making the advance payment by NTPC to the Indian Railways for the freight charges and for relaxation to the provisions of Regulation 30(6) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 to permit NTPC to retain benefits of the MOU with Indian Railways. Learned counsel further submitted as under:

(a) On account of logistic constraints for coal transportation through Indian Railways, the Petitioner after detailed discussion with Indian Railways decided to become a preferred customer of Indian Railways by paying the freight charges in advance and accordingly, has paid an advance of Rs.15000 crore to Railways towards freight charges for the years 2018-19 and 2019-20.

(b) The applicable freight charges are adjusted throughout the year from the above advance and the Indian Railways has agreed that any freight rate hike after the payment of advance would not be applicable to NTPC. This has resulted into saving of Rs. 490 crore from 1.11.2018 to 31.5.2019 on account of increased freight charges which has been passed onto the beneficiaries and ultimately to the consumers by way of Energy Charge Rate (ECR) formula. However, the payment of this advance through funding by bank has resulted into the interest liability of around Rs. 371.27 crore.



2. After hearing the learned counsel for the Petitioner, the Commission reserved order on admissibility of the Petition.

By order of the Commission

**Sd/-
(T.D.Pant)
Deputy Chief (Law)**

